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March 28, 2002

William F. Canton, Acting Commission Secretary
Federal Communications Commission
445 12th St., SW, CY-B402
Washington, DC 20554

**RE: Joint Application by BellSouth for Provision of In-Region, InterLATA
Services In Georgia and Louisiana; CC Docket No. 02-35**

Dear Mr. Canton:

Enclosed are an original and four (4) copies of the Georgia Public Service Commission's Reply Comments. The Comments recommend that BellSouth Telecommunications, Inc. be granted authorization under Section 271 of the Telecommunications Act to provide in-region interLATA service in Georgia.

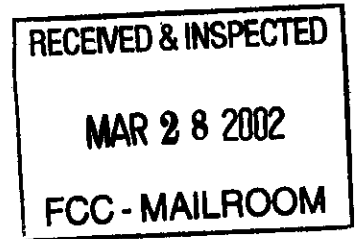
Respectfully,

Leon Bowles
Director of Telecommunications

cc: Department of Justice, c/o Luin P. Fitch
Janice Myles, Policy and Program Planning Division, Common Carrier Bureau
Qualex International, Portals II

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Before the
FEDERAL COMMUNICATIONS COMMISSION



In the Matter of

Joint Application by BellSouth Telecommunications, :
Inc., et al., for Authorization to Provide :
In-Region, InterLATA Service in the states of : CC Docket No.02-35
Georgia and Louisiana pursuant to Section 271 :
of the Telecommunications Act :

**REPLY COMMENTS OF THE
GEORGIA PUBLIC SERVICE COMMISSION**

David Burgess, Chairman
Lauren McDonald, Commissioner
Stan Wise, Commissioner
Robert Baker, Commissioner
Bob Durden, Commissioner

Georgia Public Service Commission
244 Washington Street
Atlanta, GA 30334-5701

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I. SUMMARY

In its Comments and Reply Comments filed with the Federal Communications Commission (“FCC”) in CC Docket No. 01-277 and in its initial Comments in this proceeding, the Georgia Public Service Commission (“Commission”) discussed many of the issues raised by various commenters opposing BellSouth Telecommunications, Inc.’s (“BellSouth”) entry into the interLATA market in Georgia. No point would be served in repeating the same discussion here.

However, the Commission submits these Reply Comments to respond to commenters’ criticisms of the recent enhancements made by BellSouth to its Operational Support Systems (“OSS”), specifically the parsed CSR functionality, as well as BellSouth’s service order accuracy results. The Commission also will address the Florida third-party OSS test, upon which several commenters rely in contending that BellSouth has not met the requirements of Section 271 of the 1996 Federal Telecommunications Act (“Federal Act”) in Georgia.

In considering BellSouth’s compliance with the requirements of Section 271, the Commission urges the FCC to consider carefully the competitiveness of the local market in Georgia. Competing Local Exchange Carriers (“CLECs”) are serving in excess of 900,000 access lines in Georgia, which is more than the number of access lines served by independent telephone companies in the State. Furthermore, the level of CLEC competition should only increase with the recent decision by AT&T Communications of the Southern States, Inc. (“AT&T”) to begin offering local exchange service to residential customers in Georgia.

In promotional materials accompanying its entry into the Georgia residential market, AT&T proclaims that its “competitive rates” and the “extra convenience” of providing a single telephone bill is “great news” for Georgians. The Commission agrees. The Commission also believes that AT&T’s decision to provide local exchange service to residential customers in Georgia is further evidence that the local market is irreversibly open to competition.

With AT&T’s entry into the residential local exchange market, customers now have numerous choices in selecting a local service provider. These choices include the two largest interexchange carriers (AT&T and WorldCom) as well as a host of facilities-based providers, including AT&T Broadband, which, as part of a recent promotion, is offering free local exchange service to customers in Atlanta who also purchase cable and internet access. As a result, Georgia is one of the few states in the country that is currently enjoying the benefits of competition Congress envisioned when it enacted the Federal Act.

The competitiveness of the local market in Georgia did not happen overnight and did not happen by accident. It happened because the Georgia Public Service Commission has been working diligently since 1995 to ensure that the conditions necessary to support local market entry exist in Georgia. This work included establishing standards for BellSouth’s OSS, setting TELRIC-compliant prices for unbundled network elements and interconnection, creating comprehensive performance measurements and a vigorous enforcement plan, and resolving operational issues raised by carriers seeking to compete against BellSouth in Georgia.

The Commission's work is not done. As the United States Department of Justice ("DOJ") noted in its Evaluation, the Commission is currently in the midst of reviewing BellSouth's performance measurements and enforcement plan as well as the entire Change Management process. The Commission also is overseeing the completion of the audit of BellSouth's performance data and is re-examining BellSouth's prices for unbundled network elements and interconnection services.

However, for the reasons explained in detail in its initial Comments, the Commission agrees with the DOJ that BellSouth has made "substantial progress" in addressing issues of concern previously expressed by the DOJ and the FCC. Consistent with the views expressed by the DOJ, the Commission believes that BellSouth's application for interLATA authority in Georgia should be approved. BellSouth has done what Congress, the FCC, and the Commission has required that it do to open the local market, and BellSouth should now be given the opportunity to compete in the long distance market.

II. BELLSOUTH'S COMPLIANCE WITH THE REQUIREMENTS OF SECTION 271 AND FCC PRECEDENTS

A. Nondiscriminatory Access to OSS

As described in the Commission's Comments and as noted by the DOJ in its Evaluation, BellSouth has made a number of enhancements to its OSS at the direction of the Commission. These enhancements include implementing name and telephone migration ("TN migration"), deploying fully fielded parsed Customer Service Records ("CSRs"), and expanding electronic ordering capabilities for DSL products and services.

On March 24, 2002, BellSouth implemented the single “C” order process as required by the Commission. *See Order, In re: Consideration of BellSouth Telecommunications, Inc.’s Entry Into InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996*, Docket 6863-U, et al. (Oct. 19, 2001) (“271 Order”).¹

AT&T’s claim that the Commission required these OSS enhancements “as a condition of its approval of BellSouth’s application” is inaccurate. *See Supplemental Comments of AT&T Corporation*, at 11-12. In its 271 Order the Commission expressly found that BellSouth had satisfied the requirements of Section 271 of the Federal Act. However, after making these findings, the Commission directed BellSouth to implement certain enhancements to its OSS as part of “providing the proper incentives for continued improvements in BellSouth’s performance” 271 Order at 2. Nothing in the Commission’s 271 Order conditioned approval of BellSouth’s 271 application on the completion of these enhancements. BellSouth has implemented each of these enhancements and has now met all the requirements of the Commission’s 271 Order.

AT&T complains about BellSouth’s implementation of the parsed CSR functionality, alleging that it was released with too many defects and did not provide all of the functionality AT&T contends should have been provided. *See Supplemental Comments of AT&T Corporation*, at 11-14. The Commission previously addressed these complaints in its initial Comments and finds them to be unpersuasive. *See Comments of the Georgia Public Service Commission*, CC Docket No. 02-35, at 11-16. Furthermore,

¹ See Letter from Bennett L. Ross to Reece McAlister, Docket 6863-U (March 26, 2002). BellSouth deployed the single “C” order process on March 24, 2002, which did not meet the Commission’s January 5, 2002 deadline. Because BellSouth’s deployment of this capability was 77 days late, BellSouth is subject to a fine of \$10,000 per day or \$770,000, which is payable to the State of Georgia consistent with the Commission’s 271 Order.

since these Comments were filed, BellSouth has corrected all of the defects associated with the parsed CSR functionality and has enhanced this functionality by implementing additional fields in parsed format.²

Other than AT&T, no CLEC discusses the parsed CSR functionality to any significant degree, although the issue is discussed in the comments of Worldcom, Inc. (“WorldCom”) and Birch Telecom of the South, Inc. (“Birch”). However, no party challenging the adequacy of the parsed CSR functionality has submitted any test results or empirical data to support its claims. By contrast, BellSouth has submitted evidence that three vendors and one CLEC have successfully tested this functionality to varying degrees, which the Commission found compelling in concluding that BellSouth’s implementation of parsed CSRs was consistent with the Commission’s *271 Order*. See *Comments of the Georgia Public Service Commission*, CC Docket No. 02-35, at 15.

The Commission is not convinced by AT&T’s criticisms of these test results on grounds that one of the vendors - Telcordia - was not “truly independent.” Without regard to any “potential conflict of interest” by Telcordia, the FCC has relied upon tests conducted by Telcordia in other 271 proceedings, and Telcordia was not the only vendor to test BellSouth’s parsed CSR functionality. That the results of Telcordia’s testing are consistent with the results of the tests conducted by the other vendors undermine AT&T’s suggestion that the testing conducted by Telcordia should not be relied upon.

Equally unconvincing are AT&T’s complaints about the scope of the testing of the parsed CSR functionality provided by BellSouth. The Commission believes that the test results submitted by BellSouth, taken together, provide an adequate basis upon which to conclude that the parsed CSR functionality as implemented by BellSouth works in the

² See Letter from Bennett L. Ross to Reece McAlister, Docket 6863-U (March 26, 2002).

manner intended and provides CLECs with fully fielded parsed CSRs as required by this Commission. To the extent that AT&T was dissatisfied with the scope of the parsed CSR testing conducted by or on behalf of BellSouth, AT&T could have conducted its own tests, which, for whatever reason, AT&T elected not to do.³

B. Service Order Accuracy

AT&T and Birch Telecom of the South, Inc. (“Birch”) question BellSouth’s decision to change the way it calculates its service order accuracy results. *See Supplemental Comments of AT&T Corporation*, at 37-38; *see Comments of Birch Telecom of the South, Inc.*, at 9-13. This is an issue also raised by the DOJ. *Evaluation of the United States Department of Justice*, at 11-13.

The Commission agrees with the DOJ that changes to performance measurement calculations “should be made only with public notice and the concurrence” of this Commission. *See Evaluation of the United States Department of Justice*, at 14. Accordingly, in its recommendation as part of the Commission’s current review of the existing performance measurements and enforcement plan, the Commission Staff will include a requirement that would obligate BellSouth to provide written notice of any proposed changes to the method of calculating any performance measurement prior to such changes being implemented. This notice should include, at a minimum, a description of the proposed change as well as the reason for the change, which would give interested parties the opportunity to comment on any proposed change before that

³ AT&T attempts to attribute its failure to test the parsed CSR functionality to a two-week delay in receiving the business rules in December 2001 and to the low impact defects that were part of the initial release. However, as the Commission noted in its initial Comments, neither of these problems prevented Telcordia and others from conducting testing activities, and AT&T does not explain why it was precluded from conducting testing when others were able to do so. *See Comments of the Georgia Public Service Commission*, CC Docket No. 02-35, at 14.

change has been made.⁴ Additionally, Staff will recommend that BellSouth be penalized for changing the Service Order Accuracy SQM without prior Commission approval.

However, other than the concern about the process by which BellSouth changed the calculation of its service order accuracy results, AT&T's and Birch's substantive criticisms of BellSouth's changes are unpersuasive. For example, there is no merit to Birch's accusation that BellSouth's results are "skewed" because BellSouth allegedly "broaden[ed] the base of sample orders to include fully mechanized orders" *See Comments of Birch Telecom of the South, Inc.*, at 10-11. The current service order accuracy measurement as set forth in the Service Quality Measurement ("SQM") Plan makes clear that BellSouth is required to report results based on a statistically valid sample of all service orders, including fully mechanized orders. That fully mechanized orders should be included in the base of sample orders under the existing measure is clear from Birch's proposal to modify the current measure by limiting the sample on a going-forward basis to only "partially mechanized and manual service orders."⁵

Likewise, AT&T's complaint that BellSouth's methodology is "flawed" because it does not adequately sample Local Service Requests ("LSRs") is inconsistent with the SQM. The SQM requires that BellSouth conduct a "statistically valid sample of service orders;" it does not require a statistically valid sample of LSRs. *See Joint Supplemental Declaration of Cheryl Bursh and Sharon Norris*, ¶¶ 111-114.

⁴ The Commission disagrees with AT&T's claim that AT&T did not become aware of any changes to the methodology used by BellSouth in calculating its service order accuracy results until BellSouth filed its supplemental 271 application. *See Joint Supplemental Declaration of Cheryl Bursh and Sharon Norris*, ¶ 106. It is Staff's recollection that the changes made by BellSouth were discussed during an industry conference call in January 2002 as part of the workshops in Docket 7892-U, on which representatives of AT&T participated. Additionally, Staff requested BellSouth to file a letter outlining the events, which they filed on February 1, 2002. *See Comments of Georgia Public Service Commission*, CC Docket 02-35, at 18-19.

The Commission finds no basis to conclude that BellSouth changed its service order accuracy methodology in order to improve “deficient” performance, as AT&T suggests. *See Joint Supplemental Declaration of Cheryl Bursh and Sharon Norris*, ¶¶ 105-107. In response to a request from Commission Staff, BellSouth has provided service order accuracy results for September and October 2001 that were recalculated using the current methodology, as compared to the results that BellSouth filed for the same months under the “old” methodology. This comparison reflects that, in September 2001 in the nine sub-metrics for which data was available using both the current and “old” service order accuracy methodology, there were five sub-metrics in which BellSouth’s service order accuracy rate increased and four sub-metrics in which it decreased. In October 2001 in the 12 sub-metrics for which data was available using both the current and “old” service order accuracy methodology, BellSouth’s service order accuracy rate increased in four sub-metrics, decreased in six sub-metrics, and experienced no change in two sub-metrics. These results do not reflect that BellSouth’s service order accuracy performance improved solely because BellSouth changed the way in was calculating such performance. Additionally, Staff has requested BellSouth to provide restated data for November through January 2002, using the “old methodology.”

As noted in the Commission’s initial comments, the Commission currently is reviewing several proposed modifications to the current service order accuracy measure that, if adopted, would dramatically alter the manner by which BellSouth calculates its service order accuracy performance. *See Comments of the Georgia Public Service Commission*, CC Docket No. 02-35, at 19. In the meantime, however, the Commission

⁵ Docket 7892-U, Comments of Birch Telecom of the South, Attachment 1, at 11 (Sept. 10, 2001).

remains satisfied that the changes made by BellSouth to the method it calculates its service order accuracy results are consistent with the SQM.

C. Florida Third-Party Test

Several commenters, most notably AT&T and WorldCom, oppose BellSouth's application for in-region, interLATA authority in Georgia based upon open exceptions and observations issued by KPMG Consulting, Inc. ("KCI") in connection with its third-party test of BellSouth's OSS in Florida. Because of the regional nature of BellSouth's OSS, AT&T and WorldCom argue that the FCC should not find that BellSouth's OSS have satisfied the requirements of Section 271 until the third-party test in Florida is complete. The FCC should reject this argument.

First, under the test adopted by the FCC in prior 271 cases, BellSouth's OSS meet the requirements of Section 271 if BellSouth shows that: (1) it has deployed the necessary systems and personnel to provide sufficient access to each of the necessary OSS functions and is adequately assisting CLECs to understand how to implement and use all of the OSS functions available to them; and (2) the OSS functions BellSouth has deployed are "operationally ready," as a practical matter. Memorandum Opinion and Order, *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act To Provide In-Region, InterLATA Service in the State of New York*, 15 FCC Rcd. 3953, ¶ 87 (Dec. 22, 1999) ("*Bell Atlantic-NY Order*"); Memorandum Opinion and Order, *In re: Application of BellSouth Corporation, et al., for the Provision of In-Region, InterLATA Services in Louisiana*, CC Docket No. 98-121, FCC 98-271, ¶ 85 (Oct. 13, 1998). In the Commission's view, BellSouth has made this showing based

upon the actual commercial usage of its OSS, without regard to the results of any third-party test in Florida.

Second, the Florida third-party test is not indicative of the ability of BellSouth's OSS to support actual competition in Georgia, given the way in which the Florida test (or any other third-party test) has been constructed. As part of any third-party test, including the Florida test, KCI tests all sorts of products and services, regardless of whether they are expected to have any commercial volumes. That BellSouth may encounter problems in handling a test order from KCI for unbundled dark fiber or an unbundled switch port does not mean that BellSouth's OSS are not operational ready, given that CLECs rarely order such products in the marketplace. Furthermore, certain tests by KCI represent only a snapshot of BellSouth's performance for KCI as a "pseudo CLEC" over a relatively short period of time. Such test results tell little, if anything, about BellSouth's actual performance for the CLEC industry over a sustained period of time.⁶

Finally, as the Commission has previously explained, conditioning a finding of Section 271 compliance in Georgia upon the completion of the third-party test in Florida would be bad policy. *See Reply Comments of the Georgia Public Service Commission*, Docket 01-277, at 17-18. It would hold citizens in Georgia hostage to regulatory proceedings in other states and would penalize the citizens of Georgia for the

⁶ The Commission does not mean to suggest that the Florida third-party test is a meaningless exercise in which the Florida Public Service Commission should not be engaged. The Commission's point is merely that, given the significant commercial usage of BellSouth's OSS in Georgia, the Florida third-party test has no relevance to determining whether BellSouth's OSS satisfy the requirements of Section 271 in Georgia. *See Memorandum Opinion and Order, Application by SBC Communications, Inc., et al., Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Texas*, 15 FCC Rcd 18354, ¶ 98 (2000) ("*SWBT-TX Order*") (recognizing that a third-party is instructive when "there is little evidence of commercial usage, or may otherwise strengthen an application where the BOC's evidence of commercial usage is weak or is otherwise challenged by competitors").

Commission's decision to be proactive in establishing the first third-party test of BellSouth's OSS in the region.

III. CONCLUSION

Through the efforts of the Georgia Public Service Commission, competition in the local market in Georgia is flourishing. The local market has been irreversibly opened as customers in Georgia, including residential consumers, have a wide array of choices in selecting a local service provider. Because the requirements of Section 271 have been met, the FCC should now allow Georgia customers to choose BellSouth as their long distance provider by approving BellSouth's application for interLATA authority.